BRITISH COLUMBIA
The Best Place on Earth

BCStats

Infoline

Contact: bcstats.infoline@gov.bc.ca Issue: 10-15 April 16, 2010

- **Exports up 3.3% in February as shipments to US and overseas pick up**
- **Manufacturing shipments rise 1.1%**
- **MLS® sales up in March, but housing starts slump**

The Economy

- **The value of British Columbia's exports rose 3.3% (*seasonally adjusted*) in February after posting only a modest increase (+0.4%) in the previous month.** Shipments of forest (+4.3%) products continued to pick up and exports of agriculture & fish (+8.2%), industrial and consumer (+5.3%) and energy (+2.8%) products were all higher. However, machinery, equipment & automotive product exports were down 4.9%.

  US-bound exports, accounting for roughly half of all BC exports, were up 3.5% in February. Much of that increase came as a result of a sharp rise (+17.4%) in energy shipments. Total exports to overseas destinations climbed 3.2% in February. *Data Source: Statistics Canada & BC Stats*

- **The value of total Canadian exports rose 2.8% to $34.0 billion in February (*seasonally adjusted*), mainly due to a strong increase (+7.2%) in industrial goods.** Increased automotive shipments to the United States helped push total southbound exports 2.0% higher. Trade with countries other than the US rose 5.2%. *Data Source: Statistics Canada*

- **Sales of goods manufactured in the province increased 1.1% (*seasonally adjusted*) in February.** Although the growth was more muted than January's 4.6% gain, it reflected advances in both the non-durable (+1.6%) and durable (+0.6%) sectors.

  Producers of wood products saw strong sales growth (+5.4%) for a second straight month. Shipments by paper producers were up 3.8%. The food industry (now ranked first, based on sales, among the province's manufacturing industries) posted a 1.6% gain.

  Among other manufacturers, there was a mixed bag of results. Producers of non-metallic (-2.1%) and primary (-9.9%) metal products saw a reversal of January's strong performance, and sales by manufacturers of furniture and related products were down 7.0%. However, most other manufacturers increased their sales in February.

  Data Source: Statistics Canada

- **Sales by Canadian manufacturers stalled (+0.1%, *seasonally adjusted*) in February.** Ontario (+0.7%), together with BC, Saskatchewan (+1.9%) and Alberta (+4.4%) posted increases, but sales were down in Quebec (-1.0%), and in most of Atlantic Canada. Newfoundland & Labrador posted a whopping 33.8% decline, following a double digit drop (-11.1%) in the previous month. *Data Source: Statistics Canada*

- **The number of new motor vehicles driven off car lots in BC (including the territories) fell (-1.0%) for a fourth straight month in February.** Retailers of vehicles manufactured overseas did not fare well, but sales of North American-made vehicles inched up.

  Canadian sales improved (+8.1%) in February, driven by increased activity in most parts of the country. BC, Newfoundland (-2.9%) and PEI (-5.3%) were the only provinces where new vehicle sales slowed. Double-digit sales growth was recorded in four provinces, in-

Report

Recovery may be underway, but 2009 was not a good year

Did you know...

Since their team failed to qualify, one third (32%) of Toronto fans will be cheering for the Vancouver Canucks during the Stanley Cup playoffs.

Data Source: Vision Critical

cluding Ontario (+11.0%).

Data Source: Statistics Canada & BC Stats

- **Residential MLS® sales in British Columbia jumped 42.7% in March compared to the same month last year.** Vancouver Island (+69.1%) and South Okanagan (+65.9%) real estate boards registered the largest year-over-year increase in unit-sales. Only the Powell River area board registered a drop (-11.1%) in total residential sales. Compared to the same month last year, average residential prices shot up 21.4% to $516,970 in March.

Data Source: BC Real Estate Association

- **Housing starts in the province fell 16.2% (*seasonally adjusted*) in March.** Vancouver, where starts slumped (-39.4%) after surging in February was a major factor in the overall weakness. However, other urban areas also saw new construction activity slow significantly (-15.6%) in March.

Canadian starts fell 1.5%, as new housing construction activity slowed in six provinces including Ontario (-14.2%) and BC. However, strong gains in Alberta (+22.3%) and Quebec (+17.1%) helped mitigate the effect of these declines. *Data Source: CMHC*

First Quarter in Review

- **Investment in non-residential building construction in BC was up 2.9% (*seasonally adjusted*) during the first quarter.** A surge in investment in educational buildings and health care facilities propelled investment in institutional buildings 14.0% higher, offsetting decreases in commercial (-1.0%) and industrial (-17.8%) building construction.

Data Source: Statistics Canada

Energy Use

- **British Columbia households used 169,511 terajoules of energy on heating, cooling, lighting, cooking and many other functions in 2007.** That equates to an average usage of 98 gigajoules per household. Quebec (94 gigajoules) was the only province with lower average household energy consumption.

British Columbians were most likely to use furnaces (56%) or electric baseboards (21%) to heat their homes. Boilers (9%), heating stoves (3%), radiant electric heating (3%) and gas fireplaces (3%) were less commonly used.

Heating methods vary in different parts of the country. While British Columbians favoured furnaces, homes in Quebec were most often heated by electric baseboards (61%). Fifty-one percent of households in Prince Edward Island used a boiler as their main source of heat.

Fuel usage for heating purposes was starkly divided between eastern and western Canada. From BC (56%) to Ontario (68%), natural gas was the fuel most commonly used for heating. Residents of Alberta (88%) and Saskatchewan (80%) were most likely to use natural gas. In Quebec and throughout Atlantic Canada, a mix of electricity and heating oil was used to warm homes. Natural gas usage was almost non-existent. *Data Source: SC Catalogue no. 11-526-S*

Environment

- **Canada's business sector emitted roughly 563,000 kilotonnes of greenhouse gases in 2006, a reduction of nearly 14,000 kilotonnes (-2.4%) from the previous year.**[1] As has been the case since records have been kept, by far, Canada's largest greenhouse gas contributing sectors were electric power generation & transmission (20%) and oil & gas extraction (19%). However, both electric power (-7.9%) and oil & gas (-3.0%) reduced emissions in 2006. Among the sectors that produced at least 1% of Canada's total output of greenhouse gases, the largest decrease was registered by pulp & paper mills (-17.5%). Several sectors saw a rise in the volume of emissions, with the largest increase seen in lessors of real estate (+12.3%) and truck transportation (+12.2%). *Data Source: Statistics Canada*

***Infoline** Issue: 10-15*
April 16, 2010

[1] Emissions are measured in "carbon dioxide equivalents".

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Infoline Report

Contact: Lillian Hallin
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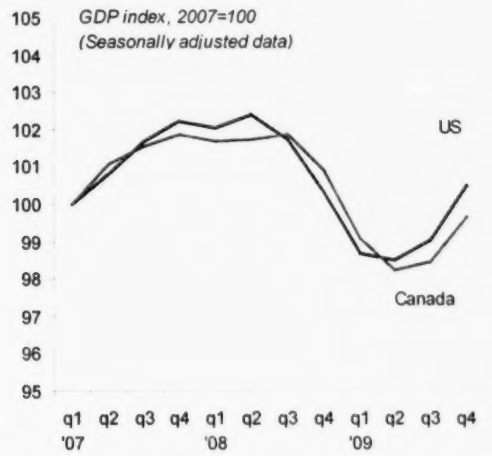
originally published in
Business Indicators Issue 10-02

Recovery May Be Underway, But 2009 Was Not a Good Year

Fourth quarter in review...

British Columbia's economy did not fare well in 2009, but most economic indicators suggest that economic conditions began to improve in the latter half of the year.

Canadian and US economies showing signs of recovery



Data Source: Statistics Canada

During the first half of 2009, the Canadian and US economies plunged into a deep recession that saw the US economy shrink by nearly 4% from its peak in the second quarter of 2008 to the same period of last year. In Canada, the slowdown began a little earlier (in the first quarter), and was almost as deep as in the US.

Preliminary figures indicate that the Canadian economy shrank 2.6% last year, marking only the third time since 1981 that the economy has posted an annual decline in gross domestic product (GDP). The other two years were 1991 (-2.1%) and 1982, when GDP fell even more than in 2009, shrinking 2.9%.

It is too early to say whether the recent upturn in the North American economies is sustainable, but back-to-back quarterly growth is encouraging. Still, a lot of ground was lost during the recession, and it will take some time before the economy is fully back on track.

BC expected to post first annual decline in GDP since 1982

Provincial GDP estimates are not yet available, but preliminary data suggest that in this province, the recession followed a similar course, with a rapid decline that began in early 2008 and continued well into the following year. Most indicators began to make a comeback in the latter half of 2009.

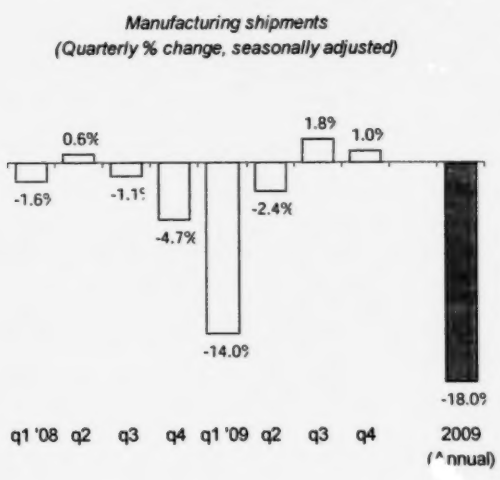
Annual data for 2009 are expected to show the first reduction in the province's total GDP since 1982, when BC's economy was plunged into a recession that was largely driven by weakness in resource industries. In 1982, the economy shrank 6.1%.

The downturn in 2009, which is not expected to be as deep, also reflects weakness in the goods-producing industries, as well as in some service industries. It comes on the heels of a lacklustre performance in 2008, when the province's economy stalled (+0.0%).

Manufacturing shipments improve in late 2009, but end the year down 18%

Sales by BC manufacturers slumped in 2009, dropping 18.0% from the 2008 level. This marked the third straight year in which the manufacturing sector has lost ground. Although the annual decline was significant, it was partly due to weakness early in the year. Manufacturing shipments began to pick up in late 2009, increasing 1.0% in the fourth quarter.

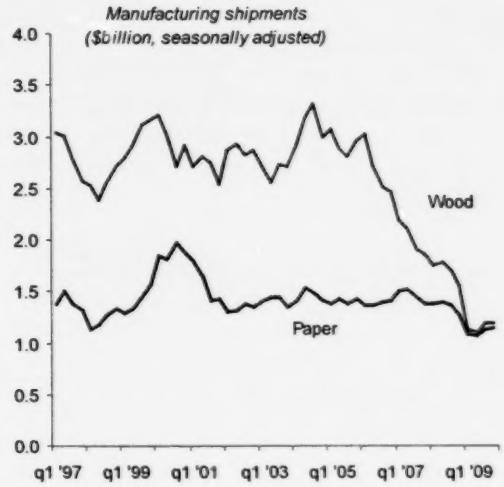
Manufacturing shipments picked up at the end of the year, but posted an 18.0% annual decline



Data Source: Statistics Canada

The forest sector continued to face serious challenges. Sales by wood products manufacturers fell for a fifth straight year, while the paper industry remained in a slump. Wood manufacturing, which accounted for about a third of total shipments a decade ago, contributed just 14% of the total value in 2009, about the same as the paper industry. In fact, food manufacturing accounted for the biggest share of total manufacturing shipments—the first time since at least 1961 that this has occurred.

Wood manufacturers were especially hard-hit



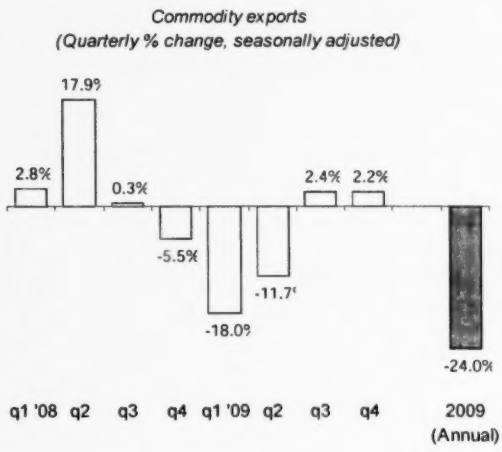
Data Source: Statistics Canada

The slowdown in manufacturing during 2009 was not restricted to the resource-based industries. Shipments were down virtually across the board, with most manufacturing industries recording double-digit declines.

Commodity exports plunged, despite making a modest comeback late in the year

Despite recent setbacks, commodities, including wood, paper and energy products, continue to play a key role in BC's export mix. With a recession in the US and overseas, markets for many BC products were affected. Prices for some goods fell and producers took an additional hit as the US dollar lost ground against the loonie. Commodity contracts are often denominated in US funds, so the rise in the value of the dollar meant that many producers saw their profit margins dwindle as they received less for goods that were sold outside the country.

Export markets remained depressed...



Data Source: BC Stats (preliminary estimates)

In current dollars, the total value of commodity exports to the US and overseas was down 24.0% in 2009, largely because of deep cuts in exports during the first half of the year. International shipments to the US slid 26.6% during the year.

...and the international trade deficit continued to grow

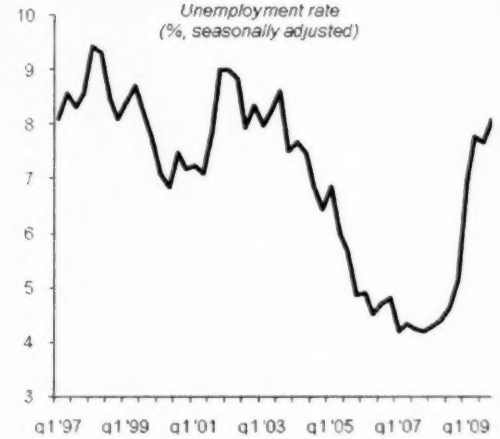
Data Source: BC Stats (preliminary estimates)

Services such as accommodation and passenger transportation, as well as engineering, computer programming, software design, and other types of business services are also an important source of export dollars in BC. Although the demand for services was less dramatically reduced, real[1] exports of goods and services produced in BC slipped in 2009. With production falling and consumers holding the lid on spending, the demand for imported products was also reduced but even so, the size of the international trade deficit continued to grow.

Labour market conditions starting to improve

Employment fell 3.8% during the year, and the number of full-time workers was reduced by 4.4% as employers scaled back their workforce. However, the labour force continued to expand. BC's unemployment rate climbed back up to levels not seen since the early part of the decade, averaging 7.6% during the year, a full three percentage points higher than in 2008.

Unemployment rate back up to levels not seen since the early part of the decade

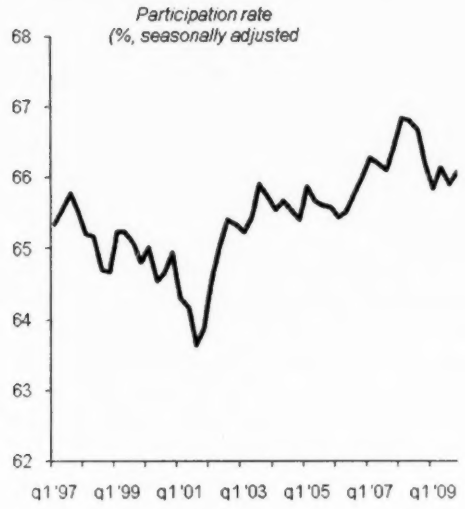


Data Source: Statistics Canada

[1] Real ($2002) figures have been adjusted to remove the effects of price change over time.

BC's labour force participation rate (the percentage of the working-aged population that is either employed or looking for work), which had been climbing, dropped back below 66% during the year. This may have helped ease some of the pressure on the unemployment rate, but BC's participation rate is already low compared to other provinces.

...but the labour force participation rate dropped below 66%



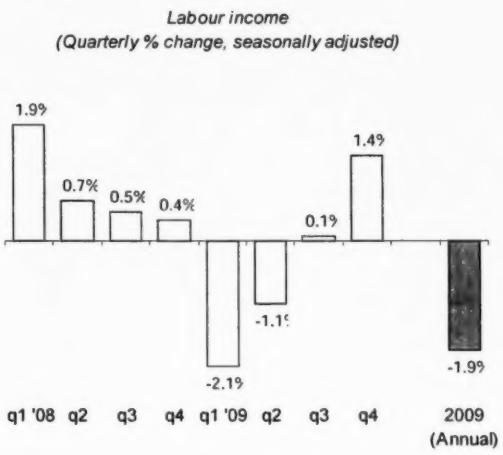
Data Source: Statistics Canada

Consumer spending fell as labour income declined

Job losses and generally weak economic conditions translated into less spending money in the pockets of consumers. Total labour income (wages, salaries and benefits) in the province fell 1.9% in 2009, marking the first annual decline since 1961[2]. As was the case with most other indicators, the downturn was largely due to events early in the year. The situation had improved quite substantially by the fourth quarter.

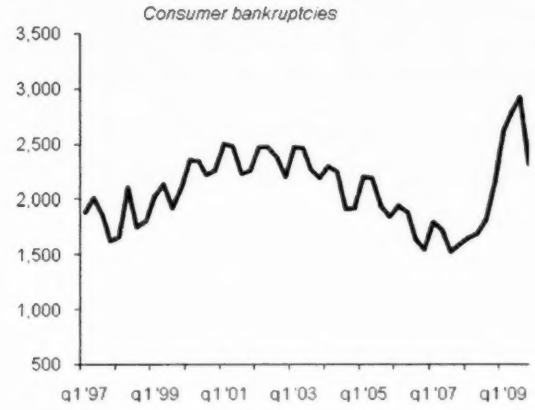
[2] 1961 is the first year for which this information is available

Labour income falls for the first time in nearly fifty years...



Data Source: Statistics Canada

...and consumer bankruptcies climb



Data Source: Statistics Canada

Consumer bankruptcies mounted during the year as a growing number of individuals in financial difficulties filed bankruptcy papers. The number of bankruptcies climbed throughout 2008 and 2009, peaking at 2,926 in the third quarter of 2009, but fell back at the end of the year.

With gloomy economic news dominating the headlines, consumers remained cautious, and cut back significantly on their purchases of

goods and services. Retail sales were weak throughout most of 2008 and in the first half of 2009. Sales have begun to pick up in recent months, but ended the year well below the 2008 level.

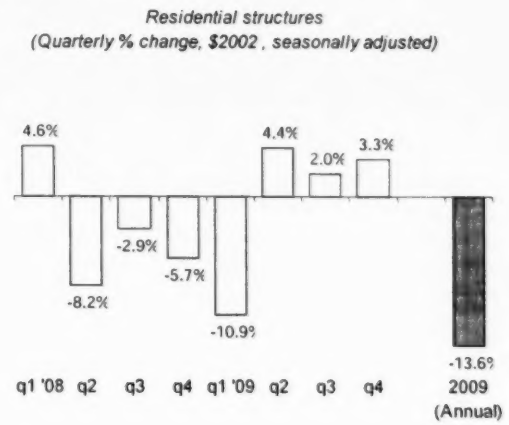
Retail sales dropped off but appear to be recovering

Data Source: Statistics Canada

Mixed messages in the housing market

Demand for new housing in the province softened, and housing starts dropped to their lowest level since the early 1980s. With consumers keeping close tabs on their spending, and a boom in the housing market coming to an end, investment in residential structures (including real estate commissions and other fees) declined for the first time since the late 1990s. This was largely due to weakness early in the year. Investment in residential structures has been rising since the second quarter of 2009. The downturn in residential investment was only partly offset by a modest increase in spending on non-residential buildings.

Investment in new residential structures began to recover...



Data Source: BC Stats (preliminary estimates)

...and selling prices are on the rise again

Data Source: Canadian Real Estate Association

A steady climb in housing prices abated temporarily during 2008, but since then, the average cost of housing sold in the province has resumed its upward path. In 2009, the average MLS ® sale price increased to about $460,000.

Stock markets rallying

Data Source: Statistics Canada

Stock markets, which had slumped early in the year, have been rallying, providing some welcome relief for investors, but with interest rates remaining at near-record lows, total interest and other investment income fell throughout the year.

Interest rates remain at near-record lows

Data Source: Statistics Canada

We're not out of the woods yet...

Most economic indicators suggest that BC, together with other North American economies, is beginning to emerge from a recession which, while long and deep, does not appear to have been as severe as the recession of the early 1980s. Most analysts think that the worst is over, but others fear that the recovery could be short-lived. The recovery is still in its early stages, and it will take some time before the province has regained the ground lost since the beginning of 2008. As was the case in the early 1980s, some of the changes that have occurred in the last two years may well result in permanent structural changes, and the long-term effect on BC's economy and labour market could potentially be significant.

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This one-day workshop will demonstrate the importance of understanding data and the most common sources available. The participants will gain familiarity with the basics on how to calculate a range of statistical measures, when, and how statistics should be used, and learn the fundamentals of sampling and hypothesis testing.

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Register early as space is limited
Fee is $300 + GST
Early registration: $275 + GST (at least 3 weeks prior)

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To register, please return form to:

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600-300 West Georgia Street
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Cancellation Policy - Cancellations received in writing 7 business days prior to the start date of the workshop will receive a full refund. After that date no refunds will be made, but a one-time substitution will be permitted. Please advise the Workshop Coordinator 3 business days before the workshop for substitutions. However, if you do not cancel and do not attend, you will be charged the full registration fee and no substitutions will be made. Travel and accommodation expenses are the responsibility of the workshop participants.

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VANCOUVER

Thursday
May 20, 2010
8:30 a.m. - 4:30 p.m.

Statistics Canada Boardroom
Suite 600-300 West Georgia St.
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Register early as space is limited
Fee is $300 + GST
Early registration: $275 + GST (at least 3 weeks prior)

Workshop Topics include:

- Five steps of turning statistics into stories
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- Determine the readership
- Sources of data
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- Statistical techniques: Adjustments
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Learn from the Survey Experts!!

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Infoline

April 16, 2010
Issue 10–15

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BC at a glance . . .

POPULATION (thousands)	Jan1/2010	% change on one year ago
BC	4,494.2	1.6
Canada	33,930.8	1.2
GDP and INCOME (Revised Nov 9)		
(BC - at market prices)	2008	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	197,931	3.3
GDP *($ 2002 millions)*	164,520	0.0
GDP *($ 2002 per Capita) (reflects revised pop)*	37,529	-1.7
Personal Disposable Income *($ 2002 per Capita)*	25,931	3.2
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Feb 2010	2,873	1.1
Merchandise Exports - Feb 2010	2,262	3.3
Retail Sales - Jan 2010	4,634	0.0
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Feb 2010)	one year ago	% change
BC	1.2	-0.1
Vancouver	1.2	0.0
Victoria	1.0	0.0
Canada	1.6	0.4
LABOUR FORCE (thousands)		
(seasonally adjusted)	Mar 2010	% change on prev. month
Labour Force - BC	2,485	0.1
Employed - BC	2,290	0.0
Unemployed - BC	195	1.8
		Feb 2010
Unemployment Rate - BC *(percent)*	7.9	7.7
Unemployment Rate - Canada *(percent)*	8.2	8.2
INTEREST RATES (percent)	Apr 14/2010	Apr 15/2009
Prime Business Rate	2.25	2.50
Conventional Mortgages - 1 year	3.60	4.20
- 5 year	5.85	5.45
US-CANADA EXCHANGE RATE	Apr 14/2010	Apr 15/2009
(avg. noon spot rate) Cdn $ per US $	0.9961	1.2038
(closing rate) US $ per Cdn $	1.0008	0.8311
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	Mar 2010	% change on one year ago
BC	821.18	3.9
Canada	813.37	2.2

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Socio-Economic Profiles

The 2009 Socio-Economic Profiles now available. These profiles consist of charts and tables for a number of geographic overlays of BC. Also included are the special geographies of the Georgia, Fraser, and Columbia Basins.

www.bcstats.gov.bc.ca/data/sep/choose.asp

Provincial Indicator Comparisons

New tables with data by province for a number of economic, demographic, social, labour and income indicators are now available. Data and calculations, as well as a graph displaying a ten-year trend. Accessible as individual PDF files, or downloadable as a single Excel file.

www.bcstats.gov.bc.ca/data/dd/provcomp/ProvComp.asp

BC Student Outcomes Project

Age of Learning English: How Does it Affect Education and Employment? A large percentage of the students in B.C.'s public post-secondary system learned English as an additional language, many as adults. How do these former students rate their education? When they leave post-secondary, are they less likely than others to be employed?

http://outcomes.bcstats.gov.bc.ca/Libraries/DACSO_Papers/Age_of_Learning_English_pdf.sflb.ashx

Profiles by First Nation Community

For many students, the pursuit of post-secondary education begins with upgrading credentials, acquiring basic academic skills or learning English. They enrol in developmental programs, which include Adult Basic Education (ABE) and English as a Second Language (ESL). The 2009 Developmental Student Outcomes Survey targeted former students to evaluate their educational experiences and to report on their transitions to the labour market.

www.bcstats.gov.bc.ca/data/lss/abor/profile/abprof.asp

Released this week by BC Stats

- Earnings and Employment Trends, March 2010
- Exports, February2010

Next week

- Consumer Price Index, March 2010

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